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No. 99-705

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

DAVID BATISTE, PAUL BATISTE, and MICHAEL BATISTE,

Petitioners,

v.

ISLAND RECORDS, INC., ISLAND RECORDS, LTD., MCA MUSIC PUBLISHING, A DIVISION OF MCA, INC., ATTRELL CORDES, also known as P.M. DAWN, doing business as P.M. DAWN and GEE STREET RECORDS, INC.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

RESPONDENTS' BRIEF IN OPPOSITION

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PARTIES TO THE PROCEEDING AND STATEMENT PURSUANT TO RULE 29.6

In addition to the parties listed by Petitioners, two additional parties warrant mention. Wade Featherstone was a defendant/appellee/cross-appellant in the proceedings below. The claims against Featherstone were dismissed by the district court for lack of personal jurisdiction and, on appeal, the Fifth Circuit held that Petitioners abandoned that issue. Petition, App. A at 9a. Accordingly, the Petition does not raise any issue with respect to Featherstone and he is properly omitted from the list of Respondents. Additionally, Isaac Bolden was a co-defendant in the district court, but did not cross-appeal or file an appellee brief in the Fifth Circuit, and the Court held that the district court's grant of summary judgment did not include Bolden.

MCA Music Publishing, A Division of MCA, Inc. (now "MCA Music Publishing, A Division of Universal Studios, Inc.") is a division of Universal Studios, Inc. Island Records, Inc., Island Records, Ltd., Gee Street Records, Inc. (now "GS Records, Inc.") are wholly-owned subsidiaries of Universal Studios, Inc. Universal Studios, Inc. is 80% owned by Seagram Company, Ltd. and 20% owned by Matsushita Electric Industrial Company, both of which are publicly traded.

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Stewart v. Abend, 409 U.S. 207, 110 S. Ct. 1750, 109 L. Ed. 2d 184 (1990) 1, 3, 4, 7, 8, 9

Statutes:

17 U.S.C.A. § 101 (West 1996) 6

17 U.S.C.A. § 103(b) (West 1996) 3, 4, 5, 6

REASONS FOR DENYING THE WRIT

The sole question presented by the Petition is whether an artist who incorporates pre-existing copyrighted material into a new derivative work acquires a "new copyright" in the pre-existing material. Pet. at *i*. Petitioners argue that the Fifth Circuit's opinion improperly holds that Attrell Cordes or his publisher acquired a duplicate or "cloned" copyright in the 6½-second digital sample of "Funky Soul" by incorporating that sample into the background music of the new work, "So On and So On." According to Petitioners, such a holding "drastically changes" the copyright law relating to derivative works, "dramatically deviates" from this Court's decision in *Stewart v. Abend*, 409 U.S. 207, 110 S. Ct. 1750, 109 L. Ed. 2d 184 (1990), and "unleashes the forces of copyright chaos." Pet. at 5, 7, and 13. However, the Fifth Circuit's opinion does not hold what Petitioners claim it holds; the parade of copyright horribles envisioned by Petitioners arises from a "straw man" ruling that they created, not from the opinion issued by the Fifth Circuit.

Neither the Fifth Circuit's actual ruling, nor the record below, raise the question presented by the Petition. The ruling is not in conflict with either the Copyright Act or *Stewart v. Abend* and the case has no far-reaching copyright implications. In short, Petitioners have made a "federal case" out of what is, and always should have been, nothing more than a state court contract dispute over royalties between Petitioners and their publisher, Isaac Bolden. The Fifth Circuit's ruling was proper in all respects and Respondents respectfully urge this Honorable Court to deny the Petition for Writ of Certiorari.

I.

NEITHER THE RECORD NOR THE DECISION BELOW RAISE THE QUESTION PRESENTED BY THE PETITION

The case below, as it relates to Petitioners' copyright infringement claim, involved two basic questions: (1) whether Respondents' licensor, Bolden, was a legal owner of the "Funky Soul" musical composition; and (2) whether Bolden properly authorized the non-exclusive use of the "Funky Soul" sample in "So On and So On" on P.M. Dawn's 1993 "Bliss Album." The Fifth Circuit answered both of these questions in the affirmative, relying on, *inter alia*, 1970 written contracts between Bolden and David Batiste for the ownership issue, and 1993 written contracts between Bolden and certain Respondents for the authorization issue. Pet., App. A at 12a-13a.

The question presented by Petitioners focuses on the ownership of "So On and So On," and the effect of that ownership on future royalties for Petitioners and/or licensing rights in the event of further uses of "So On and So On" beyond the "Bliss Album." However, the record below does not contain evidence of any use of "So On and So On" other than on the Bliss Album, and no such other use was made. Thus, Petitioners' question was not presented by the record and was not considered by the Fifth Circuit.

The Fifth Circuit stated, in no uncertain terms, that the "only question" presented by the Batistes' copyright infringement claims was "whether the Batistes [] successfully demonstrated a genuine issue of material fact that the multiple contracts among the parties are insufficient to authorize defendants' use of a digital sample of 'Funky Soul'

in their song 'So On [and So On].' " Pet., App. A at 12a-13a. Although Petitioners repeatedly refer to the Fifth Circuit's purported "cloned copyright" holding, they never cite to the portion of the appellate opinion that purportedly recognizes it. *See* Pet. at 5, 7, 10, 11, 12, and 13. There is a simple reason for Petitioners' lack of proper citation — the opinion, from caption to conclusion, does not contain a single mention of Petitioners' "cloned copyright," or any other equivalent reference. In fact, the Fifth Circuit's opinion is much less complex and far-reaching than Petitioners make it out to be. The Panel held, simply, that the Respondents' use of the "Funky Soul" sample in "So On and So On" was authorized and noninfringing, and that Petitioners' claims to the contrary should be dismissed. That holding was proper in all respects and does not call for a review by this Court.

II.

THE FIFTH CIRCUIT'S RULING DOES NOT CONFLICT WITH EITHER THE COPYRIGHT ACT OR *STEWART v. ABEND*

In a transparent attempt to grab this Court's attention, Petitioners argue that the Fifth Circuit's ruling is directly at odds with Section 103(b) of the Copyright Act of 1976 and with this Court's holding in *Stewart v. Abend*. Pet. at 7. Both contentions are meritless.

In the Fifth Circuit, the Batistes argued that Respondents' use of the "Funky Soul" digital sample in "So On and So On" and its release on the Bliss Album was infringing because: (1) the 1993 contracts between the parties only authorized the release of the new material in "So On and So On," not the pre-existing "Funky Soul" material that was

incorporated therein; and (2) even if the 1993 contracts contained the necessary authorization for the use of the "Funky Soul" digital sample, that authorization was invalid because the contracts purported to render "So On and So On" a joint work as between Bolden and Cordes in alleged contravention of Section 103(b) of the Copyright Act. *See* Pet., App. A at 10a.

The Fifth Circuit disposed of these arguments in a single paragraph. Pet., App. A at 14a-15a. In so doing, the Panel specifically limited its inquiry to the narrow question of whether "the contracts among the parties are insufficient to authorize defendants' use of a digital sample of 'Funky Soul' in their song 'So On and So On.'" Pet., App. A at 12a-13a. In addressing that question, the Court held that: (1) the contracts recognize that Bolden, as owner of the "Funky Soul" copyright, retained his copyright in "Funky Soul"; (2) the contracts do not improperly attempt to create a fictional "joint work," but rather provide that Bolden and MCA jointly own "So On and So On"[1] and that such provision is not in conflict with Congress's abrogation of the "12th Street Rag" doctrine (as set forth in section 103 (b) of the Copyright Act); and (3) "it is clear from the face of the 1993 contracts that they form a license to use 'Funky Soul' and do not merely authorize and share profits from Cordes's additional material." Pet., App. A at 14a-15a. The Fifth Circuit's holding is correct and is not at odds with either the Copyright Act or this Court's holding in *Stewart v. Abend*.

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1. The Fifth Circuit's opinion (Pet., App. A at 14a) inadvertently refers to "Funky Soul" as the jointly-owned derivative work, rather than "So On and So On." This reference is clearly in error as "Funky Soul" is not a derivative work and the referenced Administration Agreement provides that MCA and Bolden jointly own "So On and So On."

A. The Ruling Does Not Contravene the Copyright Act

Section 103(b) of the Copyright Act of 1976 provides in pertinent part that:

> The copyright in a . . . derivative work extends only to the material contributed by the author of such work, as distinguished from the preexisting material employed in the work, and does not imply any exclusive right in the preexisting material.

17 U.S.C.A. § 103(b) (West 1996). Petitioners argue that the Fifth Circuit ignored the plain language of Section 103(b) and held that Bolden and MCA's copyright in Cordes' new work, "So On and So On," extends to the incorporated portion of the pre-existing work, "Funky Soul." Pet. at 8. But this was not the issue decided by the Fifth Circuit and Petitioners blatantly misstate the Court's holding.

The Fifth Circuit's holding as it relates to Petitioners' "Twelfth Street Rag" argument is contained in two sentences:

> Although the Administration Agreement does provide that Bolden and MCA jointly own ["So On and So On"][2] as an authorized, derivative work, joint ownership of a derivative work does not alone create a "joint work." The policies underlying the "Twelfth Street Rag" doctrine thus do not apply, and we see no conflict between the 1993 contracts and Congress's abrogation of that doctrine.

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2. Due to an apparent oversight, in this one instance, the Court's opinion improperly refers to the preexisting work, "Funky Soul," as the authorized, derivative work, rather than "So On and So On." *See* note 1, *supra*.

Pet., App. A at 14a. Nothing in this holding conflicts with section 103(b) or any other part of the Copyright Act.

In response to Petitioners' argument that the 1993 contracts attempted to create a fictional joint work, the Fifth Circuit pointed out that an agreement to jointly own a derivative work is not equivalent to an agreement to create a "joint work." Pet., App. A at 14a. A "joint work" is strictly defined by the Copyright Act as "a work prepared by two or more authors with the intention that their contributions be merged into inseparable or interdependent parts of a unitary whole." 17 U.S.C.A. § 101 (West 1996).[3] However, where, as here, Bolden was the publisher, not the author, of "Funky Soul," "So On and So On" cannot be, was never intended to be, and is not, a joint work between Cordes and Bolden. Thus, rather than repudiating section 103(b), the Fifth Circuit's ruling simply recognizes that MCA granted Bolden part ownership in "So On and So On" as partial compensation for the non-exclusive use of the "Funky Soul" digital sample. However, neither Cordes, nor his publisher, MCA, acquired any corresponding ownership in the preexisting copyright of "Funky Soul." Indeed, rather than holding, as Petitioners suggest, that Cordes or MCA received a duplicate copyright in the incorporated portion of "Funky Soul," the Fifth Circuit expressly stated that Bolden retained his copyright in "Funky Soul." Pet., App. A at 14a. Thus, the "cloned copyright" over which Petitioners express such concern was invented by Petitioners, not the Fifth Circuit, and the Fifth Circuit's ruling does not contravene the Copyright Act.

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3. The legal effect of the creation of a joint work is that, absent any agreement to the contrary, the creators jointly own a 50% undivided interest in the entire copyright of the work.

B. The Ruling Does Not Conflict with *Stewart v. Abend*

In addition to suggesting that the Fifth Circuit's ruling contravenes the Copyright Act, Petitioners argue that it is in conflict with this Court's decision in *Stewart v. Abend*. It is not. Once again, Petitioners misstate the Fifth Circuit's holding in hopes of creating an issue worthy of writ consideration.

In *Stewart v. Abend*, the author of a 1942 magazine story, "It Had to Be Murder," assigned the story's movie rights to a production company along with the right to renew the copyright after the 28-year initial term. *Stewart*, 409 U.S. at 212-13, 110 S. Ct. at 1755-56, 109 L. Ed. 2d at 195-96. In the 1950s, Jimmy Stewart and Alfred Hitchcock's production company acquired the story's movie rights from the author's assignee. *Id.* Shortly thereafter, Stewart and Hitchcock, together with Paramount Pictures, produced and distributed "Rear Window," a movie derived from "It Had to Be Murder." *Id.* The story's author died in the 1960s during the initial term of the copyright. *Id.* The executor of the author's estate then renewed the copyright in the author's name and assigned the renewal rights to a third party. *Id.* When Paramount (then MCA) re-released the picture after the author's death, the holder of the copyright for the renewal term sued for infringement. *Id.* This Court held that the re-release during the renewal term infringed the rights of the successor owner of the pre-existing work where that use was without the consent of, or without a license from, the successor owner. 409 U.S. at 216, 110 S. Ct. at 1758, 109 L. Ed. 2d at 198.

Stewart v. Abend is easily distinguished from the case at bar. The Court's focus in *Stewart* was on the right to use the derivative work during the renewal copyright term when the original author died during the original term. None of the renewal term issues involved in *Stewart* are present here.

The author of "Funky Soul," David Batiste, like the author in *Stewart*, assigned both the original and renewal copyrights in "Funky Soul" to Bolden in 1970. However, unlike *Stewart*, Petitioners here filed suit during the original term of the copyright.[4] Thus, there is no issue here as to the continued use of "So On and So On" during the renewal term — the renewal term had not begun at the time suit was filed. And there is also no issue here, as there was in *Stewart*, of a re-release of the derivative work after the renewal rights had reverted to the author's estate — David Batiste is still alive today and there has been no reversion. Thus, even if renewal rights were implicated, and they clearly are not, it is well-settled that an author's assignment of his renewal rights before the original copyright expires "is valid against the world, if the author is alive at the commencement of the renewal period." *Stewart*, 495 U.S. 207, 219, 110 S. Ct. 1750, 1759, 109 L. Ed. 2d 184, 200.

Petitioners' attempt to align themselves with *Stewart* is misplaced. Indeed, to align *Stewart* with this case, one must change the facts of *Stewart* and have the *Stewart* plaintiff sue Stewart, Hitchcock and MCA *during the original copyright term* when there was no question that their use was pursuant to a still valid license from the author's assignee. Had the *Stewart* case been in that posture, the proper outcome would have been the same as the proper

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4. Petitioners filed suit in March 1995. Pet., App. A at 5a.

outcome in this case — summary dismissal in favor of defendants. The Fifth Circuit's ruling in no way jeopardizes this Court's holding in *Stewart*; the purported conflict raised by Petitioners does not exist, and review by this Court is unnecessary.

III.

THIS CASE DOES NOT HAVE FAR-REACHING COPYRIGHT IMPLICATIONS

In their conclusion, Petitioners argue that the Fifth Circuit's ruling will have a "momentous impact" on the Copyright Act and the decisions of this Court that have interpreted it. Indeed, they go so far as to suggest that "[t]he Copyright Act's mechanism for handling derivative works hangs in the balance." It might be said that Petitioners greatly overstate the significance of the Fifth Circuit's ruling with regard to copyright law — but that would be an understatement. In reality, this never should have been a copyright case to begin with.

Bolden is the publisher and a legal owner of the copyright to the "Funky Soul" musical composition. He has written contracts and a copyright registration certificate dating back to 1970 that prove it. Pet., App. A at 3a, 13a-14a. In 1993, he authorized Respondents to incorporate a 6½-second digital sample of the "Funky Soul" into a new work "So On and So On." He was paid fair value for that non-exclusive use and the transaction was documented with standard music industry contracts. *See* Pet., App. A at 14a-15a.

Petitioners have alleged that they never received their fair share of the deal from Bolden. That may be grounds for

a breach of contract action, but not a copyright suit. In an attempt to convert that possible breach of contract action against Bolden into a copyright claim against parties who might have deeper pockets, Petitioners made all sorts of allegations. They alleged that Bolden did not own "Funky Soul." The 1970 contracts and copyright certificate proved otherwise. Pet., App. A at 13a. They alleged that Bolden did not authorize the use of "Funky Soul." Bolden and the 1993 contracts proved otherwise. Pet., App. A at 14a-15a. They even alleged that Respondents had "mutilated" and "dismembered" their song, "Funky Soul," implying that they were appalled and artistically injured by the use of the digital sample in "So On and So On." Pet., App. A at 15a. However, their own actions proved otherwise: in July 1993, Petitioners filed an application with Broadcast Music, Inc., seeking to be recognized as co-writers of "So On and So On" with Cordes. Pet., App. A at 5a.

After considering the relevant facts and the applicable law, the Fifth Circuit properly held that Petitioners had utterly failed to raise a colorable copyright claim. The Panel ruled, purely and simply, that where a copyright owner authorizes the non-exclusive use of a portion of a work, there can be no copyright infringement. This is not, as Petitioners suggest, an aberration and travesty that will send the copyright world into a tailspin. Rather, it is the proper application of one of the most basic principles in copyright law based on a full and fair consideration of the facts. This case raises no significant issue of copyright law that warrants this Court's review.

CONCLUSION

For all of the foregoing reasons, Respondents respectfully request that this Honorable Court deny the Petition.

Respectfully submitted,

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